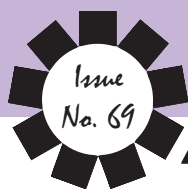


ABAG
Jan/Feb 2004



Service Matters

"How Fast Can We Turn the Corner?"

ABAG Projects Economic Outlook for 2004-2005

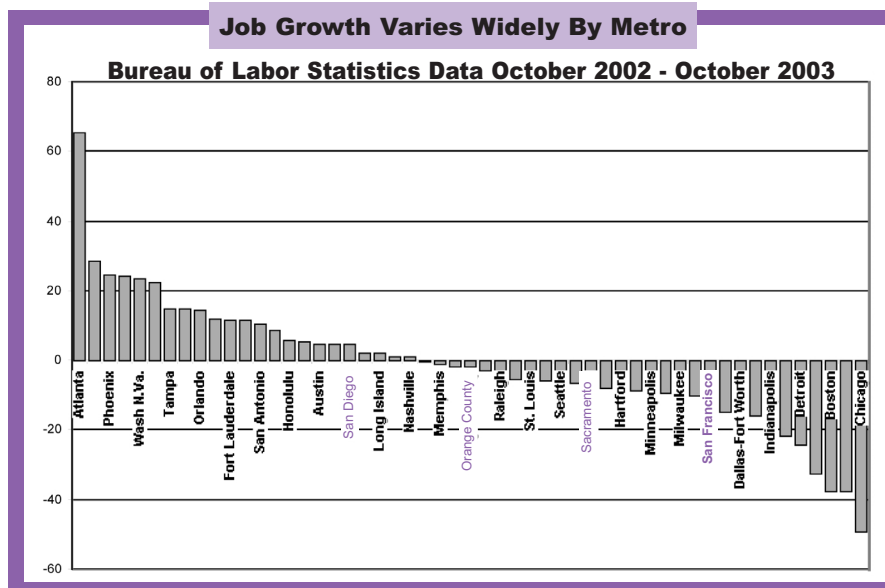
Projecting the timing of the Bay Area's economic recovery will be the major topic during the Association of Bay Area Governments' (ABAG) regional economic outlook conference, *Focus 2004-2005: How Fast Can We Turn the Corner?* on January 29, 2004, from 9 a.m. - noon. ABAG's forecast will identify local and statewide economic development trends related to high technology, taxable sales, the housing market, commercial construction, and recession recovery.

How will the state finance quandry derail the Bay Area economy? What trends in housing, jobs and spending are on the horizon? Will the housing market bubble burst? These million-dollar budget concerns plaguing local governments, as well as public and private sector organizations, will be addressed during ABAG's sixteenth annual regional economic forecast conference.

Chief Economist Howard Roth of the California Department of Finance will examine California's outlook within the backdrop of the state budget deficit and national and international economic influences. In his presentation, "California Outlook: Third Time's the Charm?" he will address whether the state can grow its way out of budget deficits and if business investment is coming back, how soon will jobs follow. **ABAG Research Director and Economist Paul Fassinger** will highlight current and future Bay Area economic trends, "Bay Area Outlook: Banked Turn or Rough Road Ahead?" He will define economic indicators and the prognosis for high tech sectors.

The housing market outlook for 2004 and 2005, "Will the Housing Market Bubble Burst?" will be explored by one of the foremost Internet/real estate experts, **Brad Inman** who is founder of Inman News and HomeGain.com. He will spotlight the steady eight year increase of prices, sales, and construction of Bay Area housing and discuss whether anything can stop this rise. **ABAG Senior**

Regional Analyst Brian Kirking will look at Bay Area retail sales and identify trends in consumer spending patterns. He will examine how prices stay up in a soft job market and the outlook for housing prices, sales, and construction. This annual conference,



presented by ABAG, provides a two-year regional economic outlook at the beginning of each calendar year and is the foremost regional conference for forecasting local government future revenue and planning budgets. It is consistently rated by attendees as one of the most reliable prognostication of Bay Area economic trends.

Registration is \$100 for ABAG members and \$120 for non-members. Online registrants will receive a \$10 discount at www.abag.ca.gov/abag/events/focus. For more information, call 510/464-7993.

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First Ecological Scorecard Grades the Bay

Local governments and residents now have radar results to determine if current stewardship efforts have improved the San Francisco Bay and to identify what more can be done. The Bay Institute, a non profit organization dedicated to protecting and restoring the Bay, Delta, and Estuary, recently released the first *San Francisco Bay Index 2003*. This report is an ecological scorecard that tracks the health of the San Francisco Bay, and grades it by comparing conditions in the Bay and its watershed to historical conditions, environmental and public health standards, and restoration targets.

This *first* Bay Area scorecard revealed that the health of the San Francisco Bay is fair to poor and reflects the troubling effects of long-term decline. The good news is that, in most cases, the decline has been halted by restoration efforts, and short-term conditions are relatively stable. The *San Francisco Bay Index 2003* was developed through the use of science-based indicators, combined into eight indexes—habitat, freshwater inflow, water quality, food web, shellfish, fish, fishable-swimmable-drinkable, and stewardship.

The Bay received some passing grades: a C in **water quality** and a C- for **fish** and **stewardship** indexes. Open waters are cleaner, but standards are not met in parts of the Bay with toxic sediments and storm runoff a major problem. After a long decline fish populations are stable at low levels, but some species are still endangered. In regards to stewardship efforts, water conservation, pollution limits, monitoring, and restoration efforts are underway, although progress is slow. The Bay did receive a B- for maintenance of **shellfish** population, because crab and shrimp numbers are increasing, while recognizing that commercial harvest is still down from previous high levels. The Bay received D grades in sustaining **habitat**,

in **freshwater inflow**, and in the **fishable-swimmable-drinkable** index. Bay habitat loss is slowly being reversed, but it could take nearly 200 years to reach the tidal marsh restoration goal. Regarding freshwater inflow, inflows are still

degrading the Bay ecosystem and recent gains from wetter years and new standards are being eroded. Fish are hard to catch, and unsafe to eat. While beach closures are up, drinking water violations are down. The Bay received an F in the **food web** index. Plankton levels in the Bay have crashed, reducing food sources for fish and birds, and alien species are dominant in the Bay.

The *San Francisco Bay Index 2003* did recommend five important stewardship efforts to improve the Bay's grade: "be a smart water user, don't pollute the Bay, restore local habitat, keep rivers flowing to the Bay, and support legislation and ballot measures to protect the Bay." ABAG's San Francisco Estuary Project assisted this report through the Estuary Project's small grant program and looks to work more with the Bay Institute in future efforts.

For more information on the 2003 Bay Index report and Technical Appendix, and current Bay restoration projects, visit the Bay Institute's website at www.bay.org.

"America's First Tier Suburbs: A Promised Land or a Promise Unfilled?"

Sponsored by ULI and ABAG

The Urban Land Institute (ULI) San Francisco District Council and ABAG are co-sponsoring a conference addressing "**America's First Tier Suburbs: A Promised Land or a Promise Unfilled,**" on **January 29, 3-5:30 p.m.** in the PG&E Main Auditorium, 245 Market Street, San Francisco. The conference features William Hudnut III, author of the recently published book, *Halfway to Everywhere*, and senior resident fellow at the Urban Land Institute, where he holds the chair for public policy.

Hudnut, a long term champion of urban revitalization and a former congressman and four-term mayor of Indianapolis, achieved notable success in Indianapolis through public/private partnerships. He will present his conclusions about creating a successful entrepreneurial American community within the inner suburban rings. Smart growth and transit oriented development are just some of the tools used by successful communities with limited resources that he will discuss. A copy of Hudnut's book will be presented to attendees.

Following Hudnut's presentation, respondents Jim Musbach, Economics and Planning Systems, Ed Everett, Redwood City City Manager, and Michael Covarrubias, TMG Partners will also share their views on what works best for Bay Area inner ring suburban communities.

Registration is \$55 for ULI members, \$65 non members, and \$35 for public officials. For more information, call 800/321-5011.


Scott Haggerty
ABAG President,
Alameda County Supervisor

David Cortese
ABAG Vice President,
Council Member, City of San Jose

Gwen Regalia
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The Association of Bay Area Governments Elects New Officers

An East Bay County Supervisor and a South Bay Council Member have emerged as new officers for the Association of Bay Area Governments (ABAG). **Alameda County Supervisor Scott Haggerty** has been elected President of ABAG for 2004-06 and **San Jose Council Member David Cortese** was elected Vice President.

ABAG's new President Scott Haggerty begins his term at a time when the region wrestles with the issues of comprehensive regional planning, the impact of the state deficit, and reduced local government funding sources. "Cities and counties working together are essential to creating a regional quality of life that extends beyond geographical boundaries and will help us overcome the local and regional funding challenges. What we develop together as ABAG member cities and counties can and does make a regional difference, and will create a better Bay Area," he says.

Haggerty is in his second term as Supervisor, representing Alameda County Supervisorial District 1, and recently completed a two-year term as President of the Board. A member of the Metropolitan Transportation Commission (MTC), he has made his mark as a leader in the area of regional transportation and Bay Area infrastructure, public safety, and public service. Haggerty is a founding member of the Inter-Regional Partnership, chair of the Bay Area Air Quality Management District, as well as chair and past chair of numerous regional transportation boards. He is past President of the Commission of the Oakland-Alameda County Coliseum Authority (also known as the JPA). His

community service includes serving on the boards of the Matteucci Foundation and Goodwill Industries of the Bay Area, as well as chair of the Twin Valley District of Boy Scouts of America. He was raised in Fremont and now resides in Pleasanton.



Scott Haggerty,
ABAG President



Dave Cortese,
ABAG Vice President

ABAG's new Vice President Dave Cortese is a lifelong resident of San Jose and was elected to the San Jose City Council in November of 2000. Since joining the ABAG Executive Board, Cortese was tapped by now outgoing President Gwen Regalia to serve on the ABAG-MTC Task Force and the ABAG Administrative Committee. He says, "Assuming a leadership role in ABAG is both an honor and an opportunity. At a time when most of the issues that we face as a community are regional in nature, we must empower cities and counties to solve our challenges through the practice of strategic and effective regional planning. I'm eager to play a role in the process of creating a more livable and efficient Bay Area."

Council Member Cortese currently serves on the San Jose City Council Rules Committee, Economic Development and Environment Committee, Revolving Loan Fund, and the Traffic Calming Committee. He is also a member of the Santa Clara Valley Transportation Authority (VTA) Board of Directors and many other transportation, land use and economic development advisory boards. Cortese co-chaired the recently successful \$80 million dollar facilities bond campaign, and served on the East Side Union High School Board (ESUHSD) of Trustees from 1992-2000.

Gwen Regalia, ABAG Immediate Past President

The new ABAG officers follow in the footsteps of outgoing President Gwen Regalia, Mayor of Walnut Creek, who concludes her two year term which began in 2002. She is praised by ABAG membership for her outstanding leadership and coalition building. Commenting on her term as President, Regalia shared these thoughts: "As ABAG President I have the opportunity to meet many of the leaders of Bay Area communities and I have worked hard to try and keep local funds local. As we look ahead to the future of the region, ABAG and our communities will be a major force in good planning. As we anticipate more people living in the Bay Area, we must continue to try to accommodate them, while improving, not degrading our quality of life. A key to this is balance in jobs, housing, economy, environment, and social equity. Over the past two years I have spent a great deal of energy on the topic of better regional planning, in particular promoting

the integration of transportation and land use planning. Although our friends at the Metropolitan Transportation Commission (MTC) are committed and involved in transportation efforts, our view is that we can do better by combining aspects of the two agencies. I am pleased that in my new role as ABAG Immediate Past President, I will be able to work with MTC to identify a better planning paradigm for the region.

I welcome Supervisor Haggerty as the new ABAG President. His leadership and experience as an Alameda County Supervisor, as well as a member of the Bay Area Air Quality Management District, the MTC, and ABAG's Regional Planning Committee, will help us improve the way we plan and lead so the Bay Area can become an even better region in which to live, work, and recreate."



MARK YOUR CALENDAR!

January 2004

January 7 1:00 p.m.
Regional Planning Committee Meeting **CANCELED**
 MetroCenter, Auditorium

January 8 1:30 p.m.
Bay Trail Steering Committee
 MetroCenter, ABAG Room 106B

January 15 3:30 p.m.
Legislation & Governmental Organization Committee Meeting
 MetroCenter, ABAG Room 106B

January 15 5:00 p.m.
Finance and Personnel Committee Meeting
 MetroCenter, ABAG Room 106B

January 15 7:30 p.m.
Executive Board Meeting
 MetroCenter, Auditorium

January 20 9:15 a.m.- 12:30 p.m.
Earthquake Retrofit Funding for City and County Buildings —Workshop
 MetroCenter, Room 171

January 26 TBD
ABAG-CALFED Task Force Workshop
 MetroCenter, Auditorium

January 29 9:00 a.m.
Economic Outlook 2004-2005
 MetroCenter Auditorium

January 29-30 TBD
Administrative Committee Meeting

February 2004

February 18 12 noon - 2 p.m.
ABAG POWER Executive Committee Meeting
 MetroCenter, ABAG Room 106B

2000 Census Tract Maps Available for Purchase

1,405 Bay Area Census Tracts Illustrated by Region and for the First Time by County

New Features:

- Colorful, detailed illustrations of freeways, highways, and major local streets.
- Maps feature incorporated jurisdictions, unincorporated areas that correspond to ABAG's Subregional Study Areas, an urbanized footprint, major water bodies, and elevation levels.
- Geographic Boundaries easy to view—highly functional for government agencies.

Earthquake Retrofit Funding for Public Buildings

Workshop for Bay Area City and County Governments

Discussion on public building inventory, securing new FEMA pre-disaster funding, and the Disaster Mitigation Act of 2000

January 20, 2004
9:00 a.m. to 12:30 p.m.

Joseph P. Bort MetroCenter, Room 171

Pre-Registration
 Required Due to
 Limited Space

**No
 Registration
 Fee**

Contact: Michael Smith at
michaels@abag.ca.gov or 510/464-7934

Notable Numbers

\$4 billion

Estimate of total loss to California cities and counties by rescinding current vehicle license fee (VLF) levels.

67.5%

Percent of the vehicle license fee reduction, which lowers the car-tax rate from 2% of a vehicle's value to 0.67%.

20%

Is the average percentage of revenue loss to Bay Area Counties' general fund, with Cities' losing 10%, by rescinding the vehicle license fee hike.

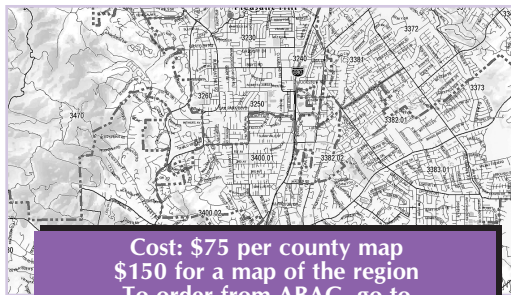
\$300 million

Dollars per month in funds for public safety and other vital services will be lost by local governments, beginning December 10, 2003.


60%

Of local government general revenues on average go directly to local sheriff, police, fire, health and emergency response services and personnel. The VLF is local governments' third largest source of general purpose tax revenue (after property and sales taxes).

Source: League of California Cities and California State Association of Counties



Cost: \$75 per county map
\$150 for a map of the region
 To order from ABAG, go to
<http://data.abag.ca.gov/maps/2000ct.htm>.

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